
FRIENDS OF ISRAEL INITIATIVE

The Next Five Years in the Middle East in the Wake of the Iranian Nuclear Agreement

Dr. Shmuel Bar

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“And in those days there was no King... everyone did as he saw fit” (Judges, 21:25)

“Then, when We decreed (Solomon’s) death, nothing showed them his death except a little worm of the earth, which kept gnawing away at his staff: so when he fell down, the Jinn saw plainly that if they had known the unseen (that the King was dead), they would not have tarried (would not have continued to obey him)... “ (Koran, 34:14)

“I and my brother against our cousin; I, my brother and my cousin against the stranger” (Bedouin adage)

The Joint Comprehensive Plan of Action (JCPOA) between Iran and the P5+1 has deeply polarized the Middle Eastern political scene and exacerbated the underlying conflicts that are disintegrating the region. Both proponents and detractors of the JCPOA are in agreement that it is a watershed event for the Middle East with possible spillover to other regions. With or without formal approval by the American Congress and the Iranian Majles, the Rubicon has been crossed and the agreement is, to all intents and purposes, irreversible. In December, the IAEA will give the necessary certification that Iran has implemented the necessary steps – including clarifications of “Possible Military Dimensions¹” - to move to “Implementation Day” and lifting of sanctions. Meanwhile, the sanction regime has already unraveled on the international level; the floodgates of re-legitimization of Iran – in the civilian, energy and military sectors have been opened wide.

While the Iranian nuclear agreement is now dominating the Middle East political discourse, it is superimposed on a region that is in the throes of a violent political and social sea change. This is not a passing phase; restoration to status quo ante is virtually impossible. The time frame for this stage may be at least 5-10 years. The Arab state system that evolved during the second half of the 20th century has collapsed in critical countries: Syria, Iraq, Yemen, Libya with potential for Lebanon and Jordan to follow suit.

¹ A prerequisite for declaring “Implementation Day” is the report by the Director General of the IAEA on 15 December 2015 that the issues relating to “Possible Military Dimensions” have been resolved. The procedural agreement between Iran and the IAEA has not been revealed, however, it may be assumed that it assures Iran that it will not be called on to provide any incriminating evidence of its military program and that the IAEA will provide the seal of approval that the issue of PMD is now closed.

Like Lewis Carol's "Humpty Dumpty", the countries that have already imploded cannot be put together again.

The breakdown of the nation state in the Middle East has precipitated a regression in many of the areas of the region to the fundamental tribal identity. The tribal identification was always present – in some cases dormant and in others active and interacting with the state. The key differentiator between the role of the tribes in the erstwhile "nation states" or in those states that maintained thin skin-deep veneer of nation states but functioned as super-tribal coalitions is the breakdown of borders. Whereas in the past the relations with the central regime and the interaction between tribes of the same country (i.e. all interacting with the same central regime) were predominant, with the breakdown of borders and disappearance of the central regime, the broader tribal common interests have re-emerged.

The main forces in this new regional disorder will be the Islamic forces - the "Islamic State" (ISIS) and other Islamist movements. These will compete among themselves for predominance in all areas – religious-ideological, economic, military and terrorist attacks against their perceived enemies – the failed regimes, Israel, the pro-Western conservative Arab states and the West. They will also escalate their efforts to acquire advanced weapons, chemical weapons and cyber capabilities and to use them against those enemies.

The unwillingness of the international community to come to terms with the demise of the Arab states and to allow the rise of alternative viable state entities where possible will only exacerbate the chaos and the suffering. The main obstacle to the formal creation of a viable and pro-Western Kurdistan in what is now nominally Northern Iraq and Syria is the political denial by the West that those countries are now defunct. A Kurdish political entity will probably align itself with the US, both for strategic reasons and because of their cultural self-image as ethnically distinct from the Arabs, the relatively low influence of radical Islam in their ranks, their economic interests, and their social values (including a high degree of equality of women). The anti-Kurdish policies of the Erdogan regime in Turkey and Turkish indifference towards the massacre of Kurds by ISIS in Syria have strengthened Kurdish irredentism and self-confidence among the Kurds of Turkey who will become more than half of the population of Turkey by 2025. The results of the parliamentary elections in Turkey were evidence of this sentiment. Hence, the Turkish-Kurdish détente that developed over the last years seems to be unraveling. The emergence of a Kurdistan may, therefore, now

be an inexorable process. The longer the international community remains captive to the chimera of restoring the Arab nation states of the 20th century, the chances of setting up such a viable Kurdistan will decline.

The chaos of the failed states has already infected their immediate neighbors and will continue to do so through growing humanitarian crisis, escalating terrorism and economic tensions. The Sunni-Shiite will continue to feed off the continuing civil strife in Syria, Iraq and Lebanon. Communal and sectarian identity will determine enmity and alliances within the region. External forces (e.g. the US and the West and even Israel) will be judged by their perceived support of one or another side and, for the time being, in the light of the American policy vis-à-vis Syria, Iraq and Iran, the conventional wisdom in the region is that the US has adopted a pro-Shiite pro-Iranian stance. Mass massacres and “ethnic cleansing” will be commonplace. Massacres of minorities will increase and dominate the international agenda vis-à-vis the region. The spillover into Europe will exacerbate further as waves of refugees fleeing from massacres and state collapse and lacking asylum behind the closed doors of the still-functional Arab states will knock on the doors of Europe.

The rise of the Caliphate of the “Islamic State” is a watershed event in the history of radical Islam. It will reverberate for the near and medium terms not only in the immediate theatre of operations (Syria and Iraq) but in the broader Middle East and in far-flung reaches of the Muslim world and parts of the West. Muslim communities, organizations and ideological movements cannot be aloof to ISIS; they may either acknowledge its claim to exclusivity and vow their allegiance or oppose it and become – in its own eyes – allies with the infidels and rebels against the legitimate “Commander of the Believers”. While most Muslim communities have their own social and tribal elites who will not accept the yoke of an Iraqi Caliph, elements opposed to those elites may see the alliance with the “Caliphate” as a force multiplier. Such metastasis of the Caliphate will create a new reality of a “Caliphate archipelagos” that will pose a strategic and operational challenge to the West.

Unlike al-Qaeda that saw itself as waging a “defensive Jihad”, the Weltanschauung of ISIS focuses on spreading Islam by the sword “until the word of Allah becomes supreme in the world”. This does not leave room for a Westphalian international order. The conflict between the Islamic State and its neighbors is expected therefore to continue for the foreseeable future. Furthermore, the duty of the Caliph to obtain all types of weapons that the

enemy possesses is widely viewed as including nuclear weapons and other weapons of mass destruction. The use by ISIS of chemical weapons is an indication of this and will probably recur.

The chances of a massive terrorist attack in Europe or the US linked to an entity in the region are high. The areas under Jihadi-Salafi control will become a magnet for foreign Jihadists who, as they return to their countries of origin with the ideology, training and motivation that they acquired, will be highly motivated to launch such attacks. Counter-terrorism strategy will be complicated by the multiplicity of terrorist groups and the weakness of neighboring states that could play a role in monitoring and countering terrorism. Such attacks, if they result in large numbers of casualties against Western targets, have the potential of galvanizing the West – including the United States – to intervene in the region. Israel, however, will be the “low-hanging fruit” for the groups planning these attacks due to its proximity and number of potential targets. A high-consequence chemical or cyber attack on Israel will almost certainly result in massive Israeli reprisal and further complication of the situation in the region.

In this context, the strategic assessment of the agreement should extend past the technical details of the nuclear agreement and should be assessed according to the extent to which it will serve as either a stabilizing or destabilizing factor. The questions that should be asked are, therefore:

1. What would have been the alternative to the agreement in terms of risk and consequence?
2. What are the prospects of the agreement according to the same criteria?
3. How “good” or “bad” is the agreement for whom (it may be very good for the Obama administration, very bad for Israel and American allies in the region)?
4. For what time frame will the agreement be “good” or “bad”?

Supporters of the agreement argue that the alternative to the agreement would be war and/or immediate breakout by Iran, which would lead to war; war would be a catastrophe like Iraq and Afghanistan. Furthermore, they argue that the agreement will be the harbinger of stability that will defuse the Iranian nuclear crisis by pushing the Iranian breakout time back to one year for at least a decade. After that, they argue the economic advantages of the agreement will discourage Iran from cheating and risking those benefits and

will mitigate – if not completely transform – Iran’s belligerency or even its regime and even transform Iran from a threat to American interests in the Middle East to a possible partner in regional security. The inspection regime and focused intelligence cover will preclude any Iranian circumvention of the agreement and provide sufficient time to deal with it politically. On the other hand critics of the agreement argue that:

- The alternative to the agreement would not be war or immediate breakout. It is further erosion of Iran by sanctions that would also restrict Iran’s mischief potential in the region.
- Iran will cheat on the agreement within 3-5 years so the ten year freeze will not be guaranteed but there will be no breakout during the Obama administration.
- Iran will be able to make progress through R&D and enrichment in North Korea that is not covered by the agreement.
- Iran will enhance its regional status and take advantage of its immunity (due to the West not wishing to reach a crisis in order not to derail the agreement) to strengthen the radical pro-Iranian elements - Hezbollah, the Syrian regime etc.
- The agreement will strengthen the regime and its ability to crack down on any pro-democracy movement. Hence it will contribute to the longevity of the regime - the Glasnost model will not take place.
- Even if Iran complies with the agreement, it will, over time acquire significant game-changing conventional strategic capabilities, and then at the end of the period will be able to cut breakout warning time to zero.
- The assertion that “all options (e.g. including the military option) are on the table and will remain available in the future too, if Iran violates the agreement” is an empty phrase. There is no appetite for a military option in the West. Furthermore, immediately with implementation, Iran will be able to buy a multitude of defense assets, first in non-shooting capabilities and hardening of defense infrastructures and later on, state of the art shooting assets as well, including advanced air defense systems. This would change the utility ratio of a future military option. Later, sanctions on ballistic and cruise missile technology will be lifted, Iran’s missile programs will become legitimate, and state of the art missile technology items will help Iran to field these assets.

- “Snapback sanctions” are unlikely to be imposed as they call for UNSC agreement and even if they are imposed, they are unlikely to have an immediate and sufficient effect.
- This optimistic vision is, in our assessment, incompatible with the reality in the Middle East: The assumption that Iran will comply fully with the agreement, will not circumvent it by exploiting its many loopholes, will not develop a separate clandestine path to a nuclear weapon (inside the country or in collaboration with another entity – Iraq or North Korea) and will not withdraw from the agreement after it has yielded the fruit of almost irreversible sanction relief does not fit in with Iran’s record to date.
- The reliability of the capability of Western intelligence to discover such a clandestine effort at an early stage and to act on it is questionable in the light of the failure of Western intelligence in identifying key elements in the Iranian clandestine program in the past (and the North Korean program beforehand) and the weak response to those revelations.
- The broad concessions to Iran will not appease and moderate it but are more likely to encourage it to persevere in its current aggressive policies in the region, add fuel to the Sunni-Shiite war and ultimately give rise to a poly-nuclear Middle East.

The arguments of the opponents of the agreement are more closely adjusted to the reality of Iranian behavior until now. At no point was there a binary choice between an agreement of this nature and war. Iran would certainly not have initiated an attack that would have resulted in catastrophic damage to the regime. On the other hand, the uncertainties built in to the agreement significantly lower its chances of success. The most likely scenario is that Iran will incrementally violate its commitments to the JCPOA within a short period after full lifting of sanctions. This will include exploitation of the multitude of ambiguities and loopholes in the agreement, and particularly the articles that allow Iran to block inspection in “military” sites. It is also quite likely that Iran will use its connections with North Korea for development of capabilities that, according to the agreement, it cannot develop on its own soil. There is nothing in the agreement – except for a general declaration that Iran will not attempt to acquire nuclear weapons – that explicitly forbids such a path.

The secret side agreements between the P5+1 and Iran that have already been revealed are, in our assessment, the tip of the iceberg. We assess that

there are further secret agreements between the US and Iran that have not yet been revealed in which the US has committed to interpretation of certain ambiguous wordings of the JCPOA that conforms to the Iranian expectations. These areas will become apparent with time and precipitate further erosion of trust between the US and the Sunni Arabs and Israel.

The Middle East has, therefore, entered a new era. The Iran's implementation or non-implementation of the articles of the JCPOA will not slow down the spillover to the region. Iran assesses that during the period of implementation, the international community will avoid entering into any confrontation with it that may delay implementation of the articles of the JCPOA and thus indicate that the agreement was a mistake.

The Sunni Arab states will continue their efforts to extract support of the American administration for their struggle against Iranian meddling in the region. However, concern in the West that pressure on Iran in response to its destabilising activities will limit effective response to these actions and accord Tehran a sense of impunity. Therefore, instead of decreasing its subversive activities during this period, Iran will attempt to deter the Gulf States and achieve maximum gains by increasing its support of the Syrian regime and the Houthis in Yemen and escalating its subversive activities in the Gulf – particularly in Bahrain and Kuwait. While the administration has given grudging declaratory support for the goal of containing Iran's regional hegemonic designs (in return for King Salman's elliptic expression of approval of the JCPOA²), the Sunni Arabs understand that at least until the end of the Obama administration, the US will refrain from any practical steps that may derail its new relations with Iran. On the other hand, despite overtures towards Russia, they are aware that the Russian-Iranian-Syrian axis cannot be easily broken. Therefore, the region will witness in the coming years increased efforts for joint Arab military initiatives with the aim of blocking, or at least containing Iran.

The perception of Iran as a legitimized nuclear threshold state that is liable to violate the agreement and break out at short notice is likely to precipitate a nuclear arms race in the region. The demand, coming from Saudi Arabia, Egypt, Turkey and others, will give rise to supply by proliferators such as

² The claim by the American administration that only Israel remains in opposition to the agreement is disingenuous. The Saudi approval of the agreement included in the Obama-King Salman joint communiqué was interpreted by the Saudi press as a reserved approval, contingent on the parties joining forces to confront Iran's destabilizing activities in the region, and only if the agreement will indeed be fully implemented and thus ensure that Iran does not acquire a nuclear weapon.

North Korea, China and Russia. This has the potential of threatening the non-proliferation regime outside of the Middle East; Japan, South Korea and Taiwan are all watching the development of the agreement carefully and will be influenced by its outcome.

The presence of international actors in the region will change. The absence of the United States as a stabilizing force and the enhanced projection of power by Russia will handicap US partnerships in the region. There will be a linkage – though not necessarily declared – between issues in the region where Russia and China have leverage and issues in dispute between the US and Russia in other theatres. The vacuum created by America’s withdrawal from its leading role in the Middle East is already beginning to be filled by Russia. Moscow has jump-started the lifting of military sanctions by announcing its intention to sell Iran advanced anti-aircraft missiles and increasing its support of the Syrian regime in collaboration with Iran. An enhanced Russian military involvement may be a game changer that will draw the Sunni Arabs into a more high-profile intervention along the lines of the Saudi led “Operation Storm of Resolve” in the Yemen.

China may grow uncomfortable with its current reliance on the US to “manage” the stability of energy in the Middle East in a way that would not harm Chinese interests and may explore ways to enhance its leverage without investing too much political capital. However, China has important strategic interests both in Iran and in Saudi Arabia. The more confrontational the Saudi-Iranian conflict becomes, the more difficult it will become for China to walk the tightrope. In such a case, there is a slight chance that the Chinese will prefer the Saudi interest. The growing Chinese blue water naval capability may become the basis for a new Chinese activism vis-à-vis the Middle East.

The success of the Obama administration in achieving the agreement and preventing its rejection by Congress will not, in our assessment, make it more charitable to whom it sees as its main nemesis on the Iranian issue – Israel’s Prime Minister Benjamin Netanyahu. The administration continues to insinuate that lawmakers who opposed the agreement were doing the bidding of a foreign Prime Minister and to claim that with the exception of Netanyahu all other regional leaders – and even unnamed “former Israeli leaders” - support the agreement.

The pressure on Israel will continue through attempts to shift the focus to criticism on Israel’s policies vis-à-vis the peace process with the Palestinians.

During the next year, the administration will attempt to leverage the threats by Mahmoud ‘Abbas of dismantling the Palestinian Authority (giving the “keys to the West Bank” back to Israel) to pressure Israel into concessions to the Palestinians. These attempts will further exacerbate the relations between the administration and the government of Israel.

Another significant area of potential damage to the Israeli-US relationship is rooted in the article in the agreement which commits the signatories of the JCPOA to “cooperate through training and workshops to strengthen Iran’s ability to protect against, and respond to nuclear security threats, including sabotage, as well as to enable effective and sustainable nuclear security and physical protection systems”. This is clearly directed toward possible Israeli sabotage of the Iranian nuclear program. The implications of such a commitment (particularly if it is included in side letters or other commitments that the administration gave Iran) are far-reaching. In the extreme, it would entail US-Iranian Intelligence collaboration and exchange of information between them (from the US to Iran) on Israel. The existence of a commitment of the US to aid a declared enemy of Israel with intelligence on Israel would have huge consequences for the intelligence cooperation between Washington and Jerusalem. The existing knowledge in the American Intelligence Community of Israeli modus operandi vis-à-vis Iran (particularly in the realm of cyber capabilities) may, under certain circumstances, compromise those assets.

Israel is facing the breakdown of the “security envelope” that it enjoyed for decades—the stability of peace with a stable regime in Egypt, a robust security relationship with a stable Jordan, and a stable deterrent relationship with Damascus. Terrorist attacks from the Syrian and/or Jordanian borders may return Israel to the paradigm of the 1950s and early ’60s: cross-border retaliatory and pre-emptive military operations against terrorist targets, in the absence of a viable state on the other side. On the other hand, the new map of the Middle East may offer an opportunity to enhance relationships with emerging communities in the region on the basis of common sense of threat from the Jihadi-Salafi wave. The new unstable environment will make concessions on security – or sub-contracting security interests to others - in the framework of an Israeli-Palestinian settlement more difficult. In the absence of strong leadership on both sides, the prospects for a settlement remain low.

Appendix: The “Joint Comprehensive Plan of Action”

The fundamental document of the agreement is the JCPOA that was published by the P5+1 and Iran. However, the agreement contains an unknown number of secret annexes and side letters between Iran, the P5+1 parties and the IAEA, including side-letters and written commitments by the American side that were meant to disambiguate some of the articles of the agreement in order to satisfy Iran.

The Timeline

The JCPOA sets a timeline for the implementation of its articles by both sides – the P5+1 and Iran. This timeline stipulates six distinct periods:

- **Finalization Day** on which the parties sign the agreement and it has been endorsed by the UNSC. This has already been passed (20 July UNSC resolution)
- **Adoption Day** within ninety days of “Finalization Day” on which implementation begins after the agreement has been approved by the respective legislative bodies of Iran (the Majles) and the western parties (particularly the US Senate). This period is dictated by the American timetable. Iran intends to approve the agreement in the Majles prior to the vote in the US Senate so that if the Senate does not approve it, the blame for the failure of the agreement will fall on the US and not Iran and then Iran will be able to return to the nuclear program with all the advantages of the agreement (at least from the EU and Russian side) without its constraints.
- **Implementation Day** on which IAEA announces that Iran has complied with the articles of the JCPOA that it had committed to³ and,

³ The articles of the agreement that Iran has to complete in order to reach “Implementation Day” are detailed but they are not all the commitments. Some of the PFEP cascades will be dismantled only after sanctions are lifted. Since no method has been specified for reducing the number of centrifuges to 300 kg (one of the options is depositing the excess in the uranium bank in Kazakhstan which has not yet been established), it is not clear from the JCPOA what the Iranians have to accomplish in this regard for the IAEA to issue confirmation of compliance. The actions which the U.S. needs to take in order to trigger “Implementation Day” are listed in great detail - lifting all the legislative, executive, administrative or other impediments to free trade that have been imposed.

“simultaneously” the EU3+3 will lift almost all the sanctions imposed on Iran, and allow trade, with no significant restrictions remaining⁴.

- **Transition Day** on which the IAEA is supposed to confirm that Iran has complied with all its commitments to the JCPOA. At this stage, another set of sanctions will be lifted. This will apparently include the remaining sanctions imposed on Iran’s ballistic missile program.
- **Termination Day** -ten years after “Adoption Day”, the UN Security Council will pass a resolution that it “would no longer be seized of the Iran nuclear issue.”

The most important transition from one phase of the timeline to the next is the transition to Implementation Day. At the end of this period, the IAEA will confirm that Iran has taken the steps specified in the JCPOA regarding dismantling and disclosure of its nuclear program and the EU3+3 will take steps to lift the sanctions as specified in the JCPOA. There is no date attached to Implementation Day however, it may take place within a short period of six months.

The wording of the JCPOA is (intentionally) ambiguous regarding which part of Iran’s commitments the IAEA will have to confirm in order to precipitate “Implementation Day” as is the wording regarding when the stage of lifting of sanctions.

- The agreement states that Implementation Day is triggered by the IAEA report “verifying implementation by Iran of the nuclear-related measures described in Sections 15.1 to 15.11 of Annex V”. However, it is not clear whether Iran has to **complete** the list of measures, or only to have satisfied the IAEA that “is implementing” them, allowing room for technical reasons and force majeure as causes of non-implementation of certain parts.
- The statement that the EU3+3 will take steps to lift sanction “simultaneously” with the above leaves room for ambiguity. It is not clear whether it should be interpreted as “simultaneous with Iran’s actions (that take place over a period of time) to implement” or “simultaneous with the IAEA declaration (a specific action) on Iranian compliance”⁵.

⁴ The wording here is important: “Implementation Day” will occur upon the IAEA-verified implementation by Iran of the nuclear-related measures described in paragraph 15 below, and, simultaneously, the E3/EU+3 taking the actions described in paragraphs 16 and 17 below, and with the actions described in paragraph 18 below taking place at the UN level in accordance with the UN Security Council resolution” (the latter referring to rescinding of sanctions).

⁵ After the Lausanne Framework was announced, Iran’s Foreign Minister, Zarif told Iranian television that all the sanctions would be lifted “as soon as the IAEA confirms that Iran has done what it committed to do”. Subse-

In our assessment, it is likely that there is some understanding in advance regarding such a situation in which technical causes – real or manufactured can be cited for non-completion of the implementation. In any case, many technical obstacles can be easily created to bring Iran to the stage of removal of sanctions without full compliance, leaving the completion of compliance to “post-negotiations” in which Iran will extract new concessions. The ambiguity regarding lifting of sanctions allows the EU3+3 as a bloc or individually to begin the process of sanction relief while Iran implements its part of the agreement and not at the end of such implementation.

After “Implementation Day”, Iran will have reaped the most important fruits of the JCPOA and could – if it wishes – to begin to prevaricate or backtrack on its remaining commitments without incurring significant damage.

After “Termination Day”, IAEA verification will continue along the lines described below, and Iran will continue to be restricted by the agreement to an LEU stock ceiling of 300 kg for 5 years beyond “Termination Day”. After that all restrictions on Iran’s enriched uranium will be lifted. Other items will be under the IAEA verification regime for 20 and 25 years however these have little relevance after the main sanctions and restriction are lifted. Iran’s commitment according to the JCPOA “never to seek nuclear weapons”, in accordance with its NPT commitments, is unbound in time. This, however, has little practical meaning.

Iran’s Commitments

The JCPOA covers each of the elements of the Iranian nuclear program with different levels of detail. The following are the key elements.

The Plutonium Track

The plutonium track to a weapon was never the main track for Iran and it was willing to sacrifice it in return for concessions on the uranium enrichment track. The JCPOA in this regard does block this track.

At an early stage of the negotiations, Iran agreed to modify the Arak reactor so that it would not be able to produce militarily significant quantities of

quently the Iranians pulled back from that definition, and claim that sanctions will be lifted with the beginning of the implementation of the agreement. It is possible – though there is no specific evidence – that there are side agreements on specific sanctions that will be lifted at an earlier stage.

military-grade plutonium (Pu-239) and would cease to be of proliferatory concern⁶. In doing so, Iran “sacrificed” the plutonium track that was never central to its nuclear program to save the uranium track.

Uranium Enrichment Infrastructure

The JCPOA allows Iran to preserve its entire centrifuge potential but limits the number of centrifuges that are actually enriching uranium to 6,104. The centrifuges that will actually enrich uranium include: 5,060 centrifuges in 30 cascades⁷ in the Natanz Fuel Enrichment Plant (FEP), and 1,044⁸ in the Fordow Fuel Enrichment Plant (FPEP). The enrichment activity will be performed in both cases in underground facilities to preclude any attempt to destroy them by military action. In addition, at the FEP, Iran will be permitted to continue operating two full cascades of operational IR-2m and IR-4 type centrifuges and R&D on small cascades or individual advanced type centrifuges⁹. Their product is not factored into to the 300kg of the permitted LEU stock.

All the centrifuges that will be disabled will remain in storage under inspection but **will not be irreversibly disabled**¹⁰. After eight and a half years

6 The steps for blocking the plutonium track include:

- Iran will dismantle the currently installed core of the reactor (the “Calandria”) and will fill any openings with concrete.
- Iran will enter into discussions with the EU3+3 on restructuring the reactor for 20 MW capacity (instead of 40) and designing and installing a different core that will be fueled with enriched and not natural uranium according to detailed specifications provided in the attachment to the annex; so it will not be able to produce militarily significant quantities of military grade plutonium (Pu-239). Iran will not engage in spent fuel reprocessing for 15 years or build a reprocessing facility of a magnitude suitable for weapons and its “hot cells” will be subject to strict IAEA safeguards and limited to 6 cubic meters.
- No other heavy water reactors will be constructed in Iran for the next 15 years.
- All excess spent fuel from the Arak reactor will be shipped out of the country (probably to Russia?) for its entire lifetime, within a year from its extraction from the reactor core.
- Iran will stop producing natural uranium pellets as fuel for the reactor, at the Esfahan Fuel Manufacturing Plant, and all the fuel already produced will be put under IAEA safekeeping safeguards.
- Iran will stop producing heavy water in excess of the requirements of the new reactor, these are estimated to be about 220 tons and that is more or less what the Iranians have produced to date. Excess heavy water produced will be sold to a customer abroad (probably to Russia).
- After 15 years, Iran will be free to seek separated plutonium, and highly enriched uranium, but its commitments not to make nuclear weapons will remain formally in effect.

7 Down from 9,156 in 54 cascades.

8 Down from the currently installed 2,710 IR-1 centrifuges.

9 (IR-2m; IR-4; IR-5; IR-6; IR-6s; IR-7 and IR-8)

10 These include 3,194 disabled IR-1 centrifuges that were already enriching and 6,264 IR-1 and 1,008 IR-2m centrifuges already installed but not yet enriching at the FEP in Natanz.

Iran may run two 30-centrifuge cascades of IR-6 and IR-8 type at the PFEP and after ten years to begin replacing the IR-1 type centrifuge with the more advanced IR-6 or IR-8. At the end of year 8, i.e. as of year 9, Iran will be allowed to manufacture IR-6 and IR-8 centrifuges at the rate of 200 per year for each type, but without rotors. After year 10 years, complete centrifuges may be produced at the same rate, and stored at Natanz above ground until they are needed for assembly. From the beginning, Iran will be permitted to produce centrifuge parts that are necessary to maintain the permitted infrastructure. Production of new centrifuge parts however is not explicitly predicated on Iran having used up the parts of the idle centrifuges for spare parts. If the available stock of spare centrifuges in storage falls below 500 Iran is allowed to manufacture centrifuges to replenish it to the 500.

The current centrifuge potential therefore will remain intact and can be potentially reactivated when Iran so chooses. If Iran decides to withdraw from the agreement, it will be able to re-install these centrifuges within two to three months and return to the current – and even higher – enrichment rate. The potential breakout time in a scenario of Iran withdrawing from the agreement therefore is about six months. This will become shorter after eight and a half years and even shorter after ten years.

LEU stocks

Iran's stockpile of LEU will be limited to 300 kg for 15 years, excluding nuclear fuel for reactors. All excess LEU (estimated as between 7,300-12,000 kg) has to be down-blended to the natural uranium level, or shipped out of Iran - either to a foreign state (perhaps to Russia) or to the IAEA uranium bank to be established in Kazakhstan. The 20 percent enriched uranium will be made into fuel plates for the Teheran reactor. When Iran has exhausted its own supply of 20 percent enriched uranium needed for the operation of the Teheran reactor, the EU3+3 will supply the reactor with the fuel.

According to the agreement, Iran will remain restricted to the 300 kg ceiling of LEU stocks to the 3.67% level of enrichment for another five years. After 15 years, it will be allowed to resume unlimited stockpiling of LEU, and to enrich without restrictions beyond the 3.67% level of enrichment (even to weapons grade), though, as a signatory of the NPT, it will still be formally prohibited from pursuing nuclear weapons.

The JCPOA does not provide a fixed timetable or a means for implementation of the reduction of enriched uranium stocks and it is not clear whether

non-implementation of this central element (ostensibly due to technical issues) might prevent IAEA confirmation of Iranian compliance, required for “Implementation Day”.

“Past and Present Issues of Concern”

This area - previously known as “PMD (Possible Military Dimensions)” - also reflects sweeping concessions on the part of the P5+1. In the JCPOA Iran reiterates its commitment to clear up all the outstanding issues by 15 October 2015 so that the Director General of the IAEA may report that the agency is satisfied on this issue by 15 December 2015. Officially, the clarification of “past and present issues of concern” is a pre-condition for “Implementation Day”.

The fact that the euphemistic phrase of “past and present issues of concern” was used in the text instead of the more explicit “possible military dimensions” which the IAEA is seized on for many years is not a matter of style. The original phrase refers explicitly to a number of UNSC resolutions and tasks of the IAEA. By changing the name, the negotiators of the JCPOA set the stage for a side agreement with the IAEA that could bypass the more stringent demands in the original IAEA task.

It is highly unlikely that Iran will come clean on its military nuclear program that it continues to deny ever existed. In the aforementioned background brief to the Iranian media, Araghchi referred to secret protocols with the IAEA that will solve the problem of the PMD without Iran having to provide any information further to what it has already provided. The assessment is that Iran has already completed the architecture for a nuclear warhead on the Shehab-3 missile and other aspects of weaponisation before the weapons group (AMAD) was dismantled in 2003. Furthermore, there is no stipulation in the agreement that Iran must allow the IAEA to interview scientists¹¹ and other individuals suspected as having been involved in the military program. The negotiators, realizing that Iran would not satisfy the original demands of the IAEA decided to soften their demands to a level that Iran could agree to¹².

¹¹ At the top of the list of “scientists” which the IAEA wishes to interrogate is the long-time head of the weaponization team, Mohsen Fakhri-zadeh, who has led for almost three decades all of the weaponization groups as they underwent frequent organizational, cover name and geographical relocation regroupings (much has been made in the media of the disbanding of the “AMAD” weaponization group in 2003, at the time under the IRGC, but it is believed that it was later reconstituted under other titles and organizational attachments, and as always headed by Fakhri-zadeh).

¹² John Kerry alluded to this shift in position by stating that “the possible military dimensions, frankly, gets

Verification of uranium ore

This is not a central component of the JCPOA. IAEA oversight of the transferring of uranium ore and uranium ore concentrate to the Esfahan Uranium Conversion Facility (UCF), where it is transformed into UF₆ feed is supposed to last for 25 years. It should be noted that Iran currently has a stock of more than 500 tons of UF₆, which should last them for many years, perhaps for the entire duration of the JCPOA. In any case, Iran does not have large quantities of uranium ore.

The Inspection Regime

The inspection regime represents a significant concession to Iran. It allows Iran a total of 24 days to delay any set of inspections and to hide most violations. Since any dispute will have to be referred to the UNSC, the JCPOA accords Iran virtual immunity against inspection in places where it wishes to dissimulate.

During the long negotiations, the American administration presented the principle of an “unprecedented” inspection regime based on access by the IAEA to conduct “challenge inspections” “anywhere, anytime” at any suspect site as the *quid pro quo* and an effective counterbalance for concessions to Iran on the number of centrifuges, the facility in Fordow and other issues. However, this is the area in which the Iran’s position has been sweepingly accepted by the P5+1. The mechanism established by the JCPOA in this area is dependent on bureaucratic hurdles that virtually preclude the possibility of discovery.

The JCPOA stipulates¹³ that the IAEA provide Iran in writing which installation it wishes to inspect and why. After the IAEA declares its desire to inspect a suspect site, Iran may require that the Agency explain, in detail, and in writing, why it wants to inspect this site. This is to a significant degree unworkable, because no doubt such inspections will be set in motion by highly sensitive intelligence information passed to the IAEA by a leading member state (U.S., U.K., though the source may be from yet another state), and its

distorted a little bit in some of the discussion, in that we’re not fixated on Iran specifically accounting for what they did at one point in time or another. We know what they did. We have no doubt. We have absolute knowledge with respect to the certain military activities they were engaged in”.

¹³ Item Q of Annex 1.

provision to the Iranians will compromise the source (HUMINT, technical, SIGINT, COMINT, imagery, other VISINT, or other) and preclude its further use. It may even have a spillover effect of unwillingness of states to pool their information with partner states and agencies for fear of compromising sources, if such information were to be relayed to Iran at the end of the line, and in any case may be expected to hinder the further passing along of such information to the IAEA by member states (primarily U.S. and U.K, perhaps others too) for action. The process of sanitizing the information for IAEA use would most probably lengthen the time between initial discovery by the intelligence and inspection. The procedure after the IAEA presents the basis for its request may last up to 24 days after the request is made. If the IAEA and Iran cannot reach JCPOA, the dispute will be referred to a committee.

The agreement states that Iran only has to notify the IAEA of provisional application of the Additional Protocol to its Safeguards Agreement in accordance with Article 17(b) of the Additional Protocol pending its entry into force, and subsequently seek ratification and entry into force, consistent with the respective roles of the President and the Majles (Parliament) and to notify the IAEA that it will fully implement the Modified Code 3.1 of the Subsidiary Arrangement to Iran's Safeguards Agreement as long as the Safeguards Agreement remains in force.

Iranian adherence to the additional protocol does not have to be fully implemented as a condition for implementation. Furthermore, the IAEA must negotiate with Tehran the exact modalities of the Additional Protocol, as it will be applied in Iran. The side agreements between Iran and the IAEA already disable key elements of the Additional Protocol such as challenge inspections "anytime" and "anywhere".

A reading of the JCPOA and the side letters that have been exposed shows that Iran can – and most probably will - delay the inspection for up to 24 days, sufficient time for Iran to obfuscate evidence of violation. It is likely that Iran will take advantage of this to leak disinformation regarding sites, prevaricate before allowing inspection and then allow the inspectors to find naught. This tactic was effectively wielded by Iraq, Iran and Syria (in the CW context) in the past and it is intended to exhaust the IAEA and de-motivate it from further inspections.

Delisting of Iranian Entities and Persons

The annex to the JCPOA contains a long list of Iranian individuals, companies and entities from which sanctions will be lifted after Implementation Day. These specifically include individuals whose blacklisting was not due to involvement in the nuclear program but in in the Iranian ballistic missile program and even in terrorism and involvement.

The former include a variety of entities such as the “Cruise Missile Industry Group”, followed by “Shahid Bagheri Industrial Group (SBIG)” –the Iranian solid-propelled ballistic missile program, which produces a wide variety of short and long-range solid-propelled ballistic missiles; and “Shahid Hemmat Industrial Group (SHIG)” – the Iranian liquid-propelled ballistic missile program, which produces the Shahab-3 and individuals associated with those programs¹⁴.

The latter include such persons as Qassem (Ghassem) Soleymani, the head of the Qods Force of the Islamic Revolutionary Guard Corps (IRGC), the Qods Force itself and the IRGC as a whole. All of these, in addition to their involvement in terrorism and subversion against Iran’s neighbors (including Israel) through its handling of Lebanese Hezbollah and other proxy organizations and their active participation in support of the Syrian regime, were also directly implicated in directing attacks against American forces in Iraq. Delisting these individuals and organizations may pose a challenge for the American legal system as American citizens who were affected by those entities may appeal to the courts against the de-listing. This will force the administration to exercise exceptional executive action.

Ostensibly, these entities are to be de-sanctions only on “Transition Day”, which is to occur up to eight years from “Adoption Day” but the delisting may take place before if the IAEA confirms beforehand that that Iran is complying with the terms of the JCPOA at that time and date.

The document details along several dozen pages all the fields in which sanctions will be lifted and economic activity may take place, from banking to pistachios and everything in between, from ships to commercial airliners, metals and software, gold and insurance. It also lists all the Iranian individuals and entities regarding which sanctions will be lifted,

¹⁴ These include General Safavi, of the IRGC, the IRGC itself, and then

in three attachments relevant to different phases of the implementation, and different time points at which sanctions will be lifted – for example the missile related entities will be exempted from sanctions on “Transition Day”, eight years after “Adoption Day”.

Iran’s sense of impunity is bolstered by the commitment in the agreement that the P5+1 parties are prohibited from “re-introducing or re-imposing the sanctions” or from “imposing discriminatory regulatory and procedural requirements in lieu of the sanctions”. This means, in effect, that the P5+1 countries cannot impose any sanctions on any of the Iranian entities mentioned in the agreement (including the IRGC and its Qods Force) on the grounds of support of terrorism, narcotics trafficking, human rights violations or gross aggression against a US ally (Israel, Saudi Arabia, Bahrain etc.). The agreement has, essentially, made Iran the only country in the world that enjoys internationally recognized immunity from any legal measures.

In private meetings with Washington based think tanks, administration officials have claimed that the actual position of the US regarding these issues is clearer, to wit:

- Institutions and individuals on whom nuclear-related sanctions will be lifted can subsequently be sanctioned for terrorism or other reasons, should they merit such designations;
- The United States will still not allow use of the U.S. dollar in trade with Iranian individuals and institutions in any way associated with Iran’s support for terrorism, meaning that Iran cannot use dollars in its oil trade; and
- The United States will continue to designate for nonnuclear sanctions individuals and institutions, even those on whom nuclear sanctions are being lifted, if their conduct so merits.

However, the refusal of the administration to make public statements on these points and thus to commit itself - particularly since such statements would help in achieving congressional support for the agreement - raises the question whether these assertions do not contradict the non-public commitments to Iran.

Conventional Arms Sanctions

There is no direct reference in the JCPOA to the ballistic missile program or to the conventional arms embargo. However, upon the publication of the JCPOA, the parties have referred to JCPOA that these sanctions will remain in effect for five years. The bone of contention in the negotiations was the Iranian demand to repeal the ban on export by Iran of arms (produced in Iran) to other countries in UN Resolution 1747, passed in 2007¹⁵ along with the UNSC resolutions sanctioning Iran for its nuclear program. The US initially rejected this demand but ultimately, accepted it. The new UNSC resolution is supposed to determine lifting of the conventional arms ban after five years and the missile ban after eight.

Commitments to Safeguard the Iranian Nuclear Program

One of the least discussed articles in the JCPOA is that which stipulates that the P5+1 will “cooperate through training and workshops to strengthen Iran’s ability to protect against, and respond to nuclear security threats, including sabotage, as well as to enable effective and sustainable nuclear security and physical protection systems”.

This provision in the agreement can only be read as referring to a commitment on the part of the signatories of the JCPOA to prevent foreign (i.e. Israeli) sabotage of the Iranian nuclear program. The implications of such a commitment (particularly if it is included in side letters or other commitments that the administration gave Iran) are far-reaching. In the extreme, it would entail US-Iranian Intelligence collaboration and exchange of information between them (from the US to Iran) on Israel. The existence of a commitment of the US to aid a declared enemy of Israel with intelligence on Israel would have far-reaching consequences for the intelligence cooperation between Washington and Jerusalem. The existing knowledge in the American Intelligence Community of Israeli capabilities and modus operandi vis-à-vis Iran (particularly in the realm of cyber capabilities) may, under certain circumstances, compromise those assets.

¹⁵ This resolution both requests countries to “exercise vigilance and restraint” in the supply of heavy weapons, warships, combat aircraft and missile systems to Iran and bans Iran from exporting “any arms or related materiel” and obliges member states to “prohibit the procurement of such items from Iran by their nationals”. The resolution includes a list of companies linked to the Iranian ballistic missile program.

Specific American Commitments under the JCPOA

The JCPOA therefore is not restricted to the nuclear file. While most of the text of the JCPOA refers in general to the two sides, there is specific reference to commitments of the US. The JCPOA binds the US to “actively encourage officials at the state or local level to take into account the changes in the U.S. policy reflected in the lifting of sanctions under this JCPOA and to refrain from actions inconsistent with this change in policy” so that if a law at the state or local level in the United States is preventing the implementation of the sanctions lifting as specified in this JCPOA, the United States (i.e. the Federal Government) will take appropriate steps, taking into account all available authorities, with a view to achieving such implementation.

This article is apparently unprecedented in American international JCPOAs. Commitments of the executive branch (with the possible exception of treaties and JCPOAs dealing with diplomatic immunity) do not preclude legal action taken by individuals or local authorities to prosecute foreign individuals or companies that have violated the law in those jurisdictions. The practical meaning of this article is that the Federal Government is committed to prevent any such legal action or legislation by states that may contradict the JCPOA. If, therefore, a local authority uncovers links between de-listed entities and terrorism or narcotics smuggling (the IRGC and Hezbollah have already been implicated in such actions in the US), they may be – in a reasonable interpretation of this article - restrained from prosecuting those entities.

Another specific reference to the US is to the Executive Orders that the US is committed to repeal. These include Executive Orders that do not deal with the nuclear program but with Iran’s involvement in terrorism and support for the Syrian regime.

Iran will receive \$100-140 billion in frozen funds in offshore accounts, out of which \$30-50 billion will be released immediately upon signature of the final accord. The initial release is equivalent to approximately 20% of the Iranian budget (\$300 billion).

Dispute Mechanism

A key claim of the administration to justify the sweeping concessions to Iran is that the JCPOA allows for “snapback” of sanctions if Iran cheats. The

mechanism that the JCPOA sets up however makes such “snapback” almost impossible.

The dispute mechanism is based on a “Joint Commission” that is supposed to discuss and rule on interpretation and implementation of the JCPOA. The “Joint Commission” is comprised of representatives of Iran and the E3/EU+3 (China, France, Germany, the Russian Federation, the United Kingdom, and the United States, with the High Representative of the Union for Foreign Affairs and Security Policy), together, the JCPOA participants. It will establish Working Groups in particular areas, as appropriate, to deal with the different issues, a “Procurement Working Group” and a “Working Group on Implementation of Sanctions Lifting”.

The “Joint Commission” is, in fact, an instrument to override the professional position of the IAEA by defining the details of key elements in the list of Iranian commitments. The JCPOA lists the areas in which the “Joint Commission” will rule; they include a wide range of issues that were left out of the JCPOA in order to maintain a degree of ambiguity.

The “Joint Commission” is also the “Court” in which disputes will be solved between the IAEA and Iran. The text defines its tasks as “review, with a view to resolving, any issue that a JCPOA participant believes constitutes non-performance by another JCPOA participant of its commitments under the JCPOA, according to the process outlined in the JCPOA”.

Since decisions must be taken by consensus, the mechanism accords Russia and China a virtual veto over any decision that Iran is in breach of the JCPOA. In case of IAEA suspicion regarding undeclared nuclear material and absence of JCPOA between the IAEA and Iran on how to resolve the issue, the “Joint Commission” will take its decision by a vote of five out of eight of its members. Theoretically this would enable a decision without support of Russia, China and Iran. However, practically, it is unlikely.

Snapback

The JCPOA bars the P5+1 from re-imposing any sanctions on Iran, including any new sanctions and sanctions for non-nuclear (e.g. terrorist, human rights) activities, except through a UNSC resolution restoring sanctions. This element provides Iran with near-immunity for any actions except for – perhaps- the most blatant violation of the agreement.

However, the possibility that even the grossest breach of the agreement will result in restoration of the sanction regime is almost nil. The “snapback” mechanism in the JCPOA contains enough constraints to prevent it from ever being implemented.

If one of the parties (including Iran) complains that another party is not adhering to its commitments, it may refer the issue to the “Joint Commission”. There the process will take up to thirty-five days after which, if the commission reaches the decision (by consensus) that there is a breach, the issue will be referred to the UN Security Council. Obviously, the chances of a UNSC resolution of re-instatement of sanctions are highly unlikely given the Russian and Chinese positions. In any case, the JCPOA clarifies that Iran has stated “if sanctions are reinstated in whole or in part, Iran will treat that as grounds to cease performing its commitments under this JCPOA in whole or in part”.

While the JCPOA clarifies Iranian “red lines” that would automatically bring it to cease its obligations, the other side has declared no such parallel “red lines”. No Iranian act of commission or omission is treated in the JCPOA as a material breach that automatically restores sanctions. This is important in particular since a key argument of the administration in defense of the JCPOA is that it allows “snapback” of sanctions in case Iran violates the JCPOA.

Iran, on the other hand, has its own “Snapback” article ensconced in the JCPOA. According to the text, “Iran has stated that it will treat such a re-introduction or re-imposition of the sanctions specified in Annex II, or such an imposition of new nuclear-related sanctions, as grounds to cease performing its commitments under this JCPOA in whole or in part”.

The Secret Annexes

After the signing of the JCPOA, a number of secret side annexes between Iran and the IAEA became known. One agreement covers the inspection of the Parchin military complex, and the second details how the IAEA and Iran will resolve outstanding issues on “possible military dimensions” of Iran’s nuclear program. These agreements were, apparently, a major contribution to the Iranian willingness to sign the agreement. It seems that the former guarantees that all military installations remain out of bounds to the inspectors and that Iran – and not the inspectors – will collect information

at those sites (including Parchin) and will pass it on to the inspectors. The latter apparently guarantees that the IAEA will soften its position on the cardinal issues of Iran's military program.

The two IAEA-Iranian side agreements were not disclosed by the Administration but discovered by members of the Senate in their discussions with the IAEA and there is no indication that the Administration intended to divulge them since they are, officially, bilateral agreements between Iran and the IAEA and not part of the JCPOA. During the negotiations there were indications that letters of assurance and commitments of interpretation were passed from the US to Iran that were instrumental in convincing the Iranians to agree to the ambiguity of some of the articles of the agreement. While legally the Senate has the right to view these documents they will be presented – if discovered by the Senate – only to a select committee. The Senate therefore will have to vote on the agreement with most of its members ignorant of key commitments of their government.

The two IAEA-Iranian side agreements may not be the only ones. We assess that there are additional secret agreements between the administration and Iran regarding interpretation of the ambiguous articles mentioned above.

Blocking the Arab Bomb

The agreement states that all provisions and measures contained in it are “only for the purpose of its implementation between E3/EU+3 and Iran and should not be considered as setting precedents for any other state or for fundamental principles of international law and the rights and obligations under the NPT and other relevant instruments, as well as for internationally recognized principles and practices”.

This article is directed against the Saudis and the Egyptians who will – or already - claim that they deserve the same “enrichment rights” that have been given Iran. It ensconces the status of Iran in regards to the NPT as *sui generis*. It is doubtful that this article will convince the other regional powers to refrain from embarking on a nuclear program. However, it will mean that such a program will be challenged by the IAEA and the international community. This sort of dynamics will only exacerbate the perception on the part of the Sunni Arabs that the US has “flipped” and now supports Iranian predominance in the region.

The Obama Administration's Campaign for the Agreement

The Obama administration has launched an almost unprecedented campaign to convince both Congress and the American public to support the agreement. The Leitmotif of the campaign contains a number of threads:

- The agreement is a “good agreement” – it blocks Iran from acquiring a nuclear weapon for a decade and reduces its breakout time to one year.
- Iran is likely to comply with the agreement, at least for the foreseeable future and over time, the economic incentives towards compliance will outweigh any pressures on the part of “hardliners” to break the agreement, withdraw from it or cheat on it.
- There was no other reasonable option to stop Iran’s relentless expansion of its “breakout” capability, short of war that, even if initiated by Israel or the result of escalation would draw in the US and cause immense economic fallout.
- Iran does not intend – for both political and religious reasons - to actually manufacture nuclear weapons but is interested only in the advantages of the status of a nuclear threshold state¹⁶.
- Postponement of the crisis will buy time for possibly positive trends to develop inside Iran, which will marginalize the issue in the future
- Western intelligence cover and IAEA inspections will provide ample warning time in case Iran does cease to comply with the agreement or attempts to “sneak out”.
- Except for Israel’s Prime Minister Benjamin Netanyahu, all other US allies in the region support the agreement. The Israeli complaint that it was kept in the dark regarding the negotiations is false; unnamed “senior Israelis” provided input to the negotiations. If the agreement is not approved, the alternative will be war in which “missiles will be launched at Tel Aviv” and the US will be then forced into a conflict.

¹⁶ In this context, the administration – and President Obama himself - has referred frequently to a “fatwa” by the Supreme Leader against nuclear weapons. The existence of such a “fatwa” has been circulating for years and has never been denied by the Iranians. However, no such fatwa exists in any corpus of rulings by the Supreme Leader or of his predecessor. Khamenei’s purported fatwa is not to be found in any publications by the Office of the Leader, and its wording is nowhere to be found in the Iranian media or in official records of the Supreme Leader’s religious edicts, which are assiduously updated and published. The Supreme Leader has made statements denying the allegations of the West that Iran is actively developing a nuclear weapon. However, this does not amount to an edict that prohibits (declares as “haram” by Islamic criteria) possession of nuclear weapons.

- The windfall of money will go primarily to improving the Iranian economy. Iran suffers from severe economic malaise and it will prefer to invest the money in immediate alleviation of its economic woes in order to guarantee regime stability.
- Any attempt by Iran to violate the agreement would result in re-imposition of sanctions (snapback).
- In the worst case scenario, Iranian nuclear breakout can be balanced by American extended assurances to the Sunni Arab states, thus preventing an arms race in the region¹⁷.
- Even if Iran eventually crosses the nuclear threshold, a paradigm of nuclear assurances and deterrence can manage a nuclear Middle East.

Other steps that the administration has taken are directed towards wooing the natural opponents of the agreement in the Middle East and, in doing so, to assure the opponents in Congress that the administration is not abandoning its allies to Iranian hegemony. These mainly declarative moves include an offer – meanwhile rebuffed pending the decision in the Senate on the agreement - to discuss with Israel a military compensation package, the Camp David summit with those of the leaders of the Gulf States who were willing to attend, and the renewal of the strategic dialogue with Egypt.

The Iranian Position

The approval by the Supreme Leader Ali Khamenei approved (18 July) of the JCPOA paved the way to its support by all parts of the Iranian political spectrum, including the IRGC and the “hardliners” in the Majles. By reserving his final support until the agreement was finalized, the Supreme Leader had hedged his bets successfully in order not to be implicated domestically in possible failure of the negotiations on one hand and to provide the negotiating team with leverage to demand more concessions in order to achieve the support of the Supreme Leader, on the other hand. All put together, there is abundant evidence that the Iranian negotiating team was surprised

¹⁷ See Dr. Colin H. Kahl, Melissa Dalton, Matthew Irvine, *Atomic Kingdom: If Iran Builds the Bomb, Will Saudi Arabia Be Next?* CNAS, February 2013. The gist of Colin Kahl’s argument is that The Saudis are unlikely to engage in a race to indigenously produce the bomb because doing so could make the Kingdom’s strategic predicament worse, not better. It would complicate the Kingdom’s national security, risk a strategic rupture with the United States, do great damage to Saudi Arabia’s international reputation and potentially make Riyadh the target of international sanctions. Since a Saudi nuclear effort is presented as the linchpin of a regional arms race, Kahl concludes that an Iranian bomb would not result in a regional arms race.

by the extent of the American concessions and the American retreat to the “red lines” publicly set by the Supreme Leader. For example, according to Araghchi the team did not believe the Americans would agree to leave 1,000 centrifuges in Fordow

Overall, the outcome of the negotiations is a win for Rouhani, who delivered on his election promises without having risked confrontation with the IRGC or the Supreme Leader. However, this does not guarantee that Rouhani will be able to translate the international gain into domestic political power. He faces two dangers at home: a crisis of rising expectations due to public anticipation of immediate improvement in the economic situation, and a move on the part of the Supreme Leader to balance his success by support of hard-liner policies that will tie the President’s hands on domestic issues.

On the first point, there is a large gap between the expectations of the public from the fruits of the agreement and those of professional analysts inside and outside of the regime. Most Iranian economic analysts have no illusions concerning the prospects of short-term economic improvement as a result of sanctions relief and warn that relief of sanctions and windfall of the Iranian frozen assets will not result in concrete improvement of life standard in the short term. Sadeq Zibakalam, Iran’s influential moderate political commentator pointed out that the agreement is by no means “Moses’ staff that will have all the problems fixed”. Other commentators such as financial website “Sedaye Eghtesad” (Voice of Economy) counted numerous factors in Iranian economy that impede investment and development. Hence, the euphoria is likely to sour within the forthcoming months and turn to disenchantment that will hurt Rouhani and his administration. However, the reforms that Rouhani’s government will have to take in order to improve the Iranian economy (boosting the private sector, phasing out subsidies, improving the business environment and protection of investors) will naturally be opposed by the major economic power – the IRGC, this entailing the risk of confrontation between the Rouhani camp and the IRGC. In such circumstances, it is more likely that the Supreme Leader will support the IRGC, which is the mainstay of the regime and sacrifice Rouhani after he has achieved the goal of lifting sanctions. The renewed criticism of Rouhani by the “hardliners” then – with support of the Supreme Leader – will also include accusations of “concessions” to the West on the agreement. These concessions will then be challenged and, after the lifting of sanctions, either the Rouhani administration or a new more hardline administration will utilize all room of maneuver to mitigate them. This will apply to all the areas of ambiguity in the JCPOA listed above and particularly the inspection process.

In addition, both Khamene'i and the hardliners are concerned that the reformists may leverage the agreement in order to achieve their domestic goals and to revive the "Green Revolution". Iranian youth – according to conservative media – celebrated the agreement while holding green flags and calling out the name of Mir Hussein Mousavi, the leader of the Green opposition. Indeed, the Supreme Leader issued a clear warning to the Reformists that "no exploitation of the nuclear agreement would be tolerated". If Rouhani undertakes measures that are identified with the reformist agenda, this would only exacerbate these concerns. An indication of the balance of power will be the list of candidates that the Guardian council will confirm for the February 2016 elections to the Majles.

Particularly noteworthy is Khamenei's promise that Iran would keep supporting its "friends in the region including the oppressed nations of Palestine, Yemen, Syria, Iraq, Bahrain and Lebanon" and that "our policies against the US will not change." This was meant not only as a reassurance to the Syrian regime, the Houthis in Yemen, Hezbollah and the Palestinian factions (Hamas and Palestinian Islamic Jihad) but also as a signal to his domestic audience, to wit: the agreement will not change the regime's regional policy that is anathema to the West and the US, and it goes without saying that it won't change the regime's domestic policies. In a closed background brief by the Araghchi to the Iranian media (that was published and then immediately retracted), he listed among the Iranian achievements of the negotiations that Iran had achieved US acceptance that Iran will continue to provide arms to Hezbollah. The Iranian media was also directed not to give the impression that "America is now our friend and that enmities are a thing of the past" but rather to stress that the enmity against the US, and its enmity towards "the Islamic Republic, its ideals and its values" will continue¹⁸.

The Israeli Position

The near consensus in Israel – government and opposition alike – is that the agreement falls into the category of a "bad agreement". It is widely assumed that Iran has no intention of complying with the agreement fully and for its entire duration, and that after sanctions are lifted it will use the economic benefits it has received to strengthen its position considerably in preparation for the day when it resumes its attempts to acquire nuclear

¹⁸ <http://en.iranwire.com/features/6679/>

weapons. It is also assumed that Iran will escalate its subversion and support of terrorism in the region with impunity and enjoying the immunity it has received from the agreement.

But the “worst case scenario” in the eyes of many strategic analysts – including apparently Prime Minister Netanyahu – is that Iran will comply with the provisions of the agreement until reaping the full fruits of compliance: rescinding of virtually all sanctions within months; lifting of the arms embargo in five years; lifting of sanctions and legitimization of its missile programs in eight years; production of advanced centrifuges, capable of enrichment at several times the rate of today’s IR-1 type, in ten years; and higher enrichment, and plutonium reprocessing, fifteen years from now, thus virtually eliminating “breakout warning time” down to zero. In the interim, according to this “worst case scenario”, Iran will enjoy immunity in its continuing efforts to undermine stability, topple moderate Arab regimes and support terrorism against Israel. The extension of this “worst case scenario” is that the unpublished US commitments to Iran include intelligence cooperation to warn Iran against any Israeli action against it, making any Israeli efforts to disrupt Iranian nuclear, missile, conventional and terrorist activities far more difficult and severely constricting the Israeli-American intelligence cooperation.

Some Israeli (and American) experts have argued that since the agreement is fait accompli, Israel should engage with the US in order to clearly define “red lines” that if crossed by Iran in reconstituting its enrichment capability or weapons program, the US will support/tolerate Israeli military action. Israeli political leaders see the chances of extracting such “red lines” – either tacit or declared – from the Obama administration as close to nil, based on the assessment that the administration’s aversion to red lines has been made clear a number of times since the outcome of the red lines in Syria. The article in the agreement that deals with support of the parties to the agreement to protect Iranian nuclear assets against threats, including sabotage, is perceived in Israel as potentially changing the face of US-Israeli intelligence collaboration and degrading Israeli capabilities that were developed over the years in cooperation with the US Intelligence Community.

Saudi Arabia and the Gulf in the Face of the Agreement

The Saudi and Gulf reaction to the agreement has been publicly interpreted as support of the agreement, proving the administration’s point that “only Israel opposes the agreement”. This is a mistaken reading of the Gulf

responses to the agreement. The statement by the Emir of Qatar and the end of Secretary Kerry's visit was not an embracement of the agreement but rather a pragmatic expression of a decision to extract American commitments to block Iranian subversion in the short range that, the Gulf States believe, will surely come in the wake of the agreement.

The open letter by Prince Bandar bin Sultan on the Arabic media site "Iflah" compared the deal with Iran with President Clinton's deal with North Korea. However, according to Bandar, while President Clinton was not aware of the consequences of his policy and acted in good faith to help a starving country, President Obama is fully aware that by the deal he is ensuring Iranian hegemony in the region and perpetuating chaos. Similarly, the Saudi-controlled press (al-Sharq al-Awsat) expressed the view that while "Saudi Arabia and the Gulf states can only welcome the nuclear deal, which in itself is supposed to close the gates of evil that Iran had opened in the region... the real concern is that the deal will open other gates of evil, gates which Iran mastered knocking at for years even while Western sanctions were still in place"¹⁹.

The Russian and Chinese Factors

Russia played a critical role in bringing the US to agree to the significant concessions included in the agreement. The Russian insistence during the last lap of the negotiations to include removal of sanctions on conventional arms forced this issue that was finally agreed upon – albeit delaying the removal of those sanctions for five years from "Adoption Day".

However, Russia will not wait for the formal lifting of sanctions. A short time after the agreement was finalized the commander of the Qods Force, Ghassem Suleimani visited Moscow and met with President Putin. We assess that Russia will not wait until "Implementation Day" to lift sanctions de facto on Iran. It will want to be ahead of EU and US companies in entry to the Iranian market and once the principle of lifting of sanctions has been agreed upon, will not wait. We may expect therefore an increasing stream of deals between Iran and Russia in both the economic and energy areas and in military hardware.

19 See also Abd al-Rahman Rashid in al-Sharq al-Awsat: the Iranian regime "is like a monster that was tied to a tree and has been set loose. We are on a threshold of a bloody era.... Teheran does not intend to drop its aims of regional dominance and destabilizing neighboring Arab countries. The lifting of sanctions will facilitate the transfer of funds and the purchase and shipment of arms [to terror organizations]...."

Similar behaviour may be expected from China. China will also attempt to enter the Iranian market – both civilian and military – at an early stage, without waiting for formal lifting of sanctions. China however will want to balance its relations with Iran against its relations – no less and perhaps even more important – with Saudi Arabia and the Gulf States. China is becoming uncomfortable relying on the US to “manage” the stability of energy in the Middle East and is beginning to explore ways to enhance their leverage without investing too much political capital. According to well-placed Chinese sources, there is some new thinking in Beijing regarding the traditional reflex that “it is better to lose interests than to lose face”. This tradition caused China to be very passive and to hope that the Americans, the Europeans and the Russians would together manage things in a way that would not harm Chinese interests. The behaviour of the Chinese in the negotiations was an upgrade of their *modus operandi*. However, China has strategic interests both in Iran and in Saudi Arabia. The more confrontational the Saudi-Iranian conflict becomes, the more difficult it will become for China to walk the tightrope - especially if issues come to the UNSC. In such a case, there is a slight chance that the Chinese will prefer the Saudi interest.

Conclusions

The JCPOA reflects the strategic volte-face of the international community – led by the United States - from the goal of preventing Iran from becoming a nuclear threshold state and to acceptance that at any given time, Iran will be able to acquire a military nuclear capability within a year or less.

The former goal derived both from the need to allay regional concerns (particularly those of Israel and Saudi Arabia) and from an assumption that the regime in Tehran is indeed determined to acquire a military nuclear capability, that only stripping Iran of its enrichment potential would prevent such a risk and that a nuclear Iran would inevitably lead to a nuclear arms race in the Middle East. These assumptions have now changed, at least in Washington. The American administration now accepts the declarations of Tehran that it is not seeking to acquire a nuclear weapon (and that for religious reasons it would be forbidden), that economic incentives will suffice for Iran not to renew its program and that the situation created by the agreement will not precipitate a nuclear arms race in the region.

The agreement assumes stability and continuity of the Iranian regime as the US perceives it – a regime moving towards a moderate version of the

Islamic Republic in which the “Rouhani” camp or some similar successor camp will dominate. This however is not the case; the regime remains firmly in the hands of the “hardliners” and the IRGC to whom the Supreme Leader belongs. Furthermore, in ten years Rouhani will not be president of Iran and it is highly unlikely that Ayatollah ‘Ali Khamene’i will be alive. The American gamble is that the next president will be even more moderate and less constrained than Rouhani and that eventually the regime will change its spots. However, at this stage, the agreement provides the regime with a new wind and enhances its staying power and its deterrence towards its citizens. The legitimacy that the regime has received will not encourage the Iranian masses to go out to the streets against it and will not discourage it from using force to repress any signs of opposition.

While the Obama administration does not believe that the agreement will trigger a nuclear arms race in the region, it is our assessment that the die has been cast. The agreement has already set in motion the process of planning towards acquisition of military nuclear capabilities in Saudi Arabia and Egypt at least. Activities in this vein on the part of these countries (possibly in collaboration with each other) will meet strong US opposition that will affect the relations between Washington and these countries.

In the short term, Iran will use its improved economic status and the tolerance towards its acquisition of advanced arms (mainly from Russia and North Korea) to considerably strengthen its military capabilities and to harden its nuclear infrastructure. Therefore, the military options available today will be much more difficult to employ will gradually become less and less relevant.

The calculation of the breakout time is dependent on many variables, among the most salient, the types of centrifuges. Development of more advanced centrifuges will shorten the Iranian breakout time significantly and counter-balance the reduction in numbers of operational centrifuges. After 10 years, Iran will be able to replace the IR-1 centrifuges with the best available advanced type of centrifuge – the IR-8 or a type that will be developed by Iran under the protection of the JCPOA during that period. This will enable it to double, triple or even quadruple the rate of enrichment. At the end of ten years, therefore, Iran will have international legitimacy for a status of a three to four month breakout time.

The implication of the above is that the greater danger of the agreement is in the long- term; if Iran withdraws from the agreement in the short term,

the rush to breakout is more likely to be detected and pressure on Iran ramped up. However, the longer the agreement will be in force, the shorter the breakout time will become and the less the chances that breakout will be detected²⁰.

Even if Iran maintains the agreement, its real implications go far beyond the nuclear issue. The windfall of cash that Iran will receive as a result of the agreement and the likelihood that Tehran will allocate some of it to promoting its destabilizing actions in the region: support of Hezbollah, the Syrian regime and the Houthis in Yemen, subversion of the Sunni Arab states and other activities. The potential lifting of the conventional arms embargo will facilitate this support of terrorism. In any case, Iranian offenses in regard to existing conventional arms trade will not be considered breeches of the JCPOA. It should be noted that Iran's economic situation is no more severe than many western countries (far better than that of Greece) and the economic baseline of the population and level of oppression allows the regime to endure the current situation without serious domestic repercussions²¹.

Iran is likely at least to attempt to “post-negotiate” the agreement by challenging any more demanding interpretation of its letter and spirit and to create “technical delays” in implementation of the articles of the agreement in order to broaden the margins and change the baseline. This will probably focus on levels of enrichment that may exceed the mandatory 3.5 percent, delay the export of LEU, prevaricate in the disassembling of centrifuges and other such steps, assuming that anything but a blatant and gross violation would not enable a consensus (including Russia, China and the EU countries that will have already entered the Iranian market) to re-impose sanctions.

The JCPOA does not address the prospect that Iran might attempt to activate an alternative route to a nuclear weapon in another country. Candidates for such activity would be North Korea (for actual enrichment or

20 The efficiency of centrifuges is measured in terms of separative work units (SWUs) that describe the annual enrichment output of a centrifuge. A nuclear explosive device requires twenty-five kilograms of U-235 that can be produced by an enrichment plant with an annual capacity of 5,000 SWUs. The IR-1 centrifuges in Natanz are said to have an efficiency of about 1.0 SWUs/year, hence the calculation that reducing the number of working centrifuges to 5,060 IR-1s will reduce the breakout time to approximately one year. However, according the head of the Atomic Energy Organization of Iran, Ali Akbar Salehi (August 2014), the IR-1 may have an output of up to 3 SWU for UF₆ and somewhat less for uranium. This brings Iran's actual breakout time under the JCPOA to seven or eight months. If the agreement permits the Iranians to continue to develop more advanced centrifuges – even if they are not used immediately for uranium enrichment – the breakout time could be dramatically reduced. The IR-8 that Iran is working on has an efficiency of 24 SWUs (one IR-8 is equivalent to 12-24 IR-1 so 100 IR-8 could reduce the 7 months breakout time by 25 percent.

21 See in this regard Patrick Clawson, *How Iran's Economic Gain from a Nuclear Deal Might Affect Its Foreign Policy*, Policy Watch 2452, Washington Institute, 10 July 2015.

acquisition) and Iraq (for hiding assets). The chances of such alternative tracks being discovered by western intelligence in time are slim;

The American view of the Iranian regime as a negative de-stabilizing influence in the region has also changed even though publicly the administration denies that. The administration now views Iran – in the face of the threat of ISIS – as a potential ally and stabilizing force would free the US from direct military intervention against ISIS in Syria and Iraq. Engaging Iran as a local stabilizing force, however, implies in the eyes of the administration recognition of Iran’s claim for regional spheres of influence – accepting a regional order of “*Pax Iranica*”.

The almost certain prospects that Iran will strengthen its military prowess under the auspices of the agreement and will enjoy wide latitude and tolerance from Washington in order not to disrupt the agreement will fundamentally change the balance of power in the Middle East. This period of at least 1-2 years will be Iran’s window of opportunity to achieve far-reaching strategic goals in the region and to consolidate its assets and status in the Gulf, Yemen, Syria, Lebanon and the Palestinian theatre. The Sunni Arab countries will be hard put to compete with this challenge both because of the inferiority of their conventional military outreach and due to their lack of confidence in the American resolve to support their national security interests. Ultimately, the agreement will have traded the option of limited military action to preclude Iran’s acquisition of a nuclear weapon and downgrading of Iran’s influence in the region, for almost certainty that Iran will acquire a nuclear weapon within a decade and in the interim will become a hegemonic force in the region, precipitating constant conflict and tension.

The immediate casualty of the agreement is the relationship between the United States and Israel. The administration’s campaign is targeting the pro-Israeli lobby as attempting to push the US into war and in closed briefings describing Israel as acting in a manner that destabilizes the region. After the vote in the Senate – either of approval or of disapproval that will be vetoed by the president – our assessment is that the administration will escalate its campaign against Israel and attempt to constrain Israeli actions against Syria and Hezbollah that may have an effect on the atmosphere of implementation of the agreement by Iran. This will include further leaks that will compromise Israeli capabilities, linking of military aid and intelligence sharing to Israeli commitments not to act against the agreement or against the Iranian nuclear program and – in the long run – compromising of

Israeli capabilities that were developed in cooperation with the US against the Iranian program.

The Obama administration has gone to great pains to draw an almost apocalyptic picture of the consequences of rejection of the JCPOA by the US Congress. The key argument is that if the agreement is not approved, Iran will return to its relentless drive towards enrichment, resulting in breakout (this of course contradicts the claim by the administration that by religious principle Iran does not intend to acquire a nuclear weapon). In fact, rejection of the Iran agreement by Congress will have little practical meaning for its implementation. President Obama's would still have the authority to implement most of the US commitments in the agreement by use of executive action and "prosecutorial discretion". While he would not be able to formally waive nuclear-related sanctions on Iran. The administration can change the definition of Iranian related entities in order to remove them from the list of sanctioned entities, for example, by removing the sweeping terrorist designation from Hamas and Hezbollah (by distinguishing between their "political" and "military" branches and determining that Iran's support is directed towards the former). The president may also instruct the Attorney General to refrain from prosecuting such entities. In such a case, it is unlikely that the EU (and certainly Russia and China) would withdraw their support of the agreement.

The wording of the JCPOA is intentionally ambiguous regarding the steps that Iran has to complete in order to trigger lifting of sanctions ("Implementation Day") and regarding whether the lifting of the sanctions will take place upon final implementation by Iran of those steps or "simultaneously" with those steps. This ambiguity leaves room for the signatories of the agreement to begin de facto lifting of sanctions even before Iran has executed its part of the agreement and to accept technical reasons and force majeure as causes of non-implementation of certain parts. Such technical obstacles can be easily created to bring Iran to the stage of removal of sanctions without full compliance, leaving the completion of compliance to "post-negotiations" in which Iran will extract new concessions. The JCPOA does not provide a fixed timetable or a means for implementation of the reduction of enriched uranium stocks and it is not clear whether non-implementation of this central element (ostensibly due to technical issues) might prevent IAEA confirmation of Iranian compliance, required for "Implementation Day".

The process of lifting of sanctions and delisting of currently sanctioned entities is also cloaked in ambiguity. In private meetings with Washington

based think tanks, administration officials have claimed that institutions and individuals on whom nuclear-related sanctions will be lifted can subsequently be sanctioned for terrorism or other reasons, should they merit such designations; that the United States will still not allow use of the U.S. dollar in trade with Iranian individuals and institutions in any way associated with Iran's support for terrorism, meaning that Iran cannot use dollars in its oil trade; and that the United States will continue to designate for non-nuclear sanctions individuals and institutions, even those on whom nuclear sanctions are being lifted, if their conduct so merits. However, the refusal of the administration to make public statements on these points and thus to commit itself - particularly since such statements would help in achieving congressional support for the agreement - raises the question whether these assertions do not contradict the non-public commitments to Iran.

The current centrifuge potential will remain intact and can be potentially reactivated when Iran so chooses. If Iran decides to withdraw from the agreement, it will be able to re-install these centrifuges within two to three months and return to the current - and even higher - enrichment rate. The potential breakout time in a scenario of Iran withdrawing from the agreement therefore is about six months. This will become shorter after eight and a half years and even shorter after ten years.

The chapter dealing with "Other Areas of Concern" - an intentional rewording of the issue previously known as "PMD (Possible Military Dimensions)" - also reflects sweeping concessions on the part of the P5+1. The negotiators, realizing that Iran would not come clean on a military nuclear program that it continues to deny ever existed and therefore could not satisfy the original demands of the UNSC and the IAEA, decided to soften their demands to a level that Iran could agree to disclose. The side agreements between Iran and the IAEA have, apparently, already solved this issue so that the report of the IAEA closing this issue is a foregone conclusion.

During the long negotiations, the American administration presented the principle of an "unprecedented" inspection regime based on access by the IAEA to conduct "challenge inspections" "anywhere, anytime" at any suspect site as the quid pro quo and an effective counterbalance for concessions to Iran on the number of centrifuges, the facility in Fordow and other issues. However, this is the area in which the Iran's position has been sweepingly accepted by the P5+1. The mechanism established by the JCPOA in this area is dependent on bureaucratic hurdles that virtually preclude the possibility of discovery.

A reading of the JCPOA and the side letters that have been exposed shows that Iran can delay the inspection for up to 24 days, or even indefinitely if the issue is referred back to the UNSC, where Russia and China will protect Iran. But it is highly unlikely that the IAEA and other members of the UNSC will allow the issue to reach such an impasse and challenge the entire framework of the agreement. Therefore, the inspection procedures accord Iran virtual immunity from forced disclosure of whatever it does not wish to disclose. Iran is also likely that Iran will take advantage of this procedure (as did Iraq and Syria) to leak disinformation regarding sites, prevaricate before allowing inspection and then allow the inspectors to find naught. This tactic will exhaust the IAEA and de-motivate it from further inspections.

A seemingly innocuous provision in the agreement states commits the signatories of the JCPOA to aid Iran inter alia in preventing “sabotage” of its nuclear assets. There is no doubt that this article is intended towards Israel. The implications of such a commitment are far-reaching. In the extreme, it MAY entail US-Iranian Intelligence collaboration and exchange of information between them (from the US to Iran) on Israel. The existence of commitment of the US to aid a declared enemy of Israel with intelligence on Israel would have far-reaching consequences for the intelligence cooperation between Washington and Jerusalem. The existing knowledge in the American Intelligence Community of Israeli capabilities and modus operandi vis-à-vis Iran (particularly in the realm of cyber capabilities) may, under certain circumstances, compromise those assets.

The “snapback” mechanism in the JCPOA contains enough constraints to prevent it from ever being implemented. In fact, any attempt to build a scenario in which sanctions will be restored - even in the case of the grossest breach of the agreement – shows that the chances of such “snapback” are almost nil.

The Saudi and Gulf reaction to the agreement has been publicly interpreted as support of the agreement, proving the administration’s point that “only Israel opposes the agreement”. This is a mistaken reading of the Gulf responses to the agreement. The statement by the Emir of Qatar and the end of Secretary Kerry’s visit was not an embracement of the agreement but rather a pragmatic expression of a decision to extract American commitments to block Iranian subversion in the short range that, the Gulf States believe, will surely come in the wake of the agreement. The agreement states that all provisions and measures contained in it are “should not be considered as setting precedents for any other state [except Iran] ... under the NPT “. This

article is directed against the Saudis and the Egyptians who will – or already - claim that they deserve the same “enrichment rights” that have been given Iran. It ensconces the status of Iran in regards to the NPT as *sui generis*.

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The second and third order consequences of the agreement are far more sweeping even than the agreement itself. These consequences include: a shift in American policy in the region towards tacit acceptance of Iranian hegemony; removing all constraints on the part of the international community on Iran’s involvement in terrorism and subversion, according Iran full absolution for previous actions and near immunity for any future actions. Regarding the march towards a nuclear Middle East, it is our assessment that the die has been cast; the agreement has already set in motion the process of planning towards acquisition of military nuclear capabilities in Saudi Arabia and Egypt at least. Activities in this vein on the part of these countries (possibly in collaboration with each other) will meet strong US opposition that will affect the relations between Washington and these countries.

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